The Government of Kerala was *inter alia* informed that Industry Associations/Groups of Entrepreneurs are main promoters of textiles parks by forming a Special Purpose Vehicle (SPV). However, the SITP provides for equity participation, not exceeding 49% of the equity of the SPV, by State Government or State owned Corporation.

Need to bring textile industry out of recession

†1851. SHRI RAJ MOHINDER SINGH MAJITHA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that there is a need to bring the textile industry out of recession;

(b) if so, the reaction of Government thereto;

(c) whether there is an apprehension that lakhs of people from this industry will be rendered jobless due to recession; and

(d) if so, the estimated number of people to be rendered jobless till date, and the steps taken by Government to save this industry from recession?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The Government has initiated various schemes and announced several relief measures from time to time, to sustain the growth momentum of the textile industry and to enable it to remain competitive in the wake of global demand slowdown. These are as follows:—

(i) The Technology Upgradation Fund Scheme (TUFS) was launched ***w.e.f.*** 1.4.1999 with the objective of making the textile industry globally competitive.

(ii) The "Scheme for Integrated Textile Park (SITP)" has been introduced in August, 2005 with a view to creating world-class infrastructure for the textile industry.

(iii) In the 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(iv) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in the 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49, which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues for most of the machinery items.

(v) The Government has launched the Debt Restructuring Scheme ***w.e.f.*** September, 2003 with the principal objective of permitting banks to lend to the textile sector at 8-9% rate of interest.

(vi) The Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(vii) National Institute of Fashion Technology (NIFT) has been set up.

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†Original notice of the question was received in Hindi.

(viii) A series of relief measures such as enhanced DEPB and Duty drawback rates, reduced ECGC premium, subvention on credit rates, refund of service tax paid by exporters on various services *etc.* were taken to assist textile exporters.

(ix) The Apparel Export Promotion Council (AEPC) has established Apparel Training Design Centres (ATDCs) throughout the country to meet the requirement of skilled/semi-skilled manpower for the textile industry.

To provide a fiscal stimulus to the economy through stimulation of demand and relief to the manufacturing sector including the textile sector, the Government has announced the following measures on 07.12.2008:—

- General reduction of 4% in CENVAT rates. As a result, the textile machinery will have CENVAT of 10% and Non-cotton textile will have 4%.
- Rate of duty on cotton textile and the textile articles has been reduced from 4% to Nil.
- NAPHTA imported for generation of electric energy has been exempted from import duty.
- The benefit of Service Tax refund is now extended to service provided by clearing and forwarding agents to exporters.
- The Threshold limit of refund of service tax paid by exporters on foreign commission agent service has been enhanced from 2% of FOB value to 10% of FOB value of exports.
- Draw tack benefit can now be availed of simultaneously with refund of service tax paid in respect of exports.
- Pre and post — shipment export credit for certain specific sectors including textiles is being made more attractive by providing an interest subvention of 2% upto 31/03/2009 subject to minimum rate of interest 7% per annum.
- An additional allocation has been provided for TUFS.
- All items of handicrafts have been included under 'Vishesh Krishi and Gram Udyog Yojana'.
- To boost collateral free lending, the current guarantee cover under Credit Guarantee Scheme for Micro and Small enterprises on loans has been extended from Rs. 50 lakh to Rs. 1 crore with guarantee cover of 50 per cent.

(c) and (d) The Government has not received any reports regarding large scale job loss in the textile sector.

Price of cotton in international market *vis-a-vis* India

†1852. SHRI RAJ MOHINDER SINGH MAJITHA: Will the Minister of TEXTILES be pleased to state:

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†Original notice of the question was received in Hindi.